

Kayla Volker
Senior Development and Environment Officer
Bogan Shire Council
81 Cobar Street
PO Box 221
Nyngan NSW 2825
kayla.volker@bogan.nsw.gov.au

Dear Kayla,

Re: Avoca Tank Mine Project DA 2015/004

I am writing on behalf of Tritton Resources Pty Ltd (a full-owned subsidiary of Aeris Resources Pty Ltd (Aeris Resources)) in response to your letter dated 29 January 2016 regarding determination of development application DA 2015/004 for the Avoca Tank Project (the Project), and the information requested by Council in a previous letter dated 3 December 2015.

We are currently in the process of gathering the information requested and respectfully request that Council and the Joint Regional Planning Panel (JRPP) wait for this information to be available before determining the application.

The principal delay is related to the comments received from the Office of Environment and Heritage (OEH) regarding the requirement for a biodiversity offset strategy. Tritton Resources Pty Ltd (Tritton Resources) is currently reviewing opportunities to modify the Project to reduce the proposed impacts to native vegetation associated with the surface disturbance for the development. John Miller, General Manager, Tritton Resources, has previously met with Council to discuss a strategy to establish a suitable biodiversity offset mechanism. I note that the proposed financial contribution to biodiversity related works with the Bogan Local Government Area has been rejected by Council and we acknowledge the reasons for this decision.

Advice received from the Project ecologist, Mr Steve Sass, Director of EnviroKey Pty Ltd, identifies that the Poplar Box - Gum Coolabah - White Cypress Pine shrubby woodland vegetation community present within the proposed Avoca Tank mine site is a red flag community based on significant clearing activities in the past within this bioregion. Our objective for the project is to limit impacts to biodiversity, wherever it is practical, and as a result reduce the extent of the required offset area. We have recognised that there is opportunity for the project design to be altered to improve the outcome against this objective.

Re-design of the Project to reduce surface disturbance for the Project requires input from multiple operational areas within Aeris Resources, Tritton Resources and external consultants. We are focused on the costs associated with this work and so it is completed when we can afford to do so. The financial impact of the biodiversity offset costs on a small mine project is also important since it must be born up-front ahead of any revenue from the mine and we are aiming to reduce this impact through design changes. Recent falls in the price of our copper product have caused the Company to stop all immediately essential expenditure and so progress on Avoca Tank Mine project has been slow.

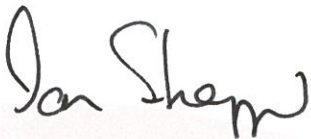
Our intention is to resolve the issue of biodiversity impacts to the satisfaction of Council, OEH, the JRPP and the Company. We will address this and all remaining issues once a suitable approach is developed.

At this stage we are not in a position to put a time frame on the process, but would continue to consult with Council on our progress.

Please do not hesitate to contact me to discuss the issues further, or continue to correspond with Nicholas Warren of R.W. Corkery & Co. who has been assisting us to compile the response to the requested information.

Lastly, please accept my apologies for the late response to your letter on this matter. Avoca Tank project has been low on the list of priority jobs in recent times.

Regards,



Ian Sheppard
Chief Operating Officer Aeris Resources

8/2/2016

Copies to

Derek Francis
General Manager
Bogan Shire Council
derek.francis@bogan.nsw.gov.au

Joint Regional Planning Panels
Regional Panels Secretariat
GPO Box 39
Sydney NSW 2001
jrppenquiry@jrpp.nsw.gov.au